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BOARD OF FINANCE

FEBRUARY 1, 2010

MINUTES OF MEETING

Mayor Kiss convened the meeting of the Board of Finance at 5:10 p.m. with all members present.

1. Agenda

The agenda was amended to take up Item 7: Discretion of Audit Letter at a time certain of 5:20 p.m.

2. Human Resources: Reclassification of Billing Services Coordinator, Burlington Electric Department

The Board reviewed a recommendation from HR Director Leonard to reclassify the position of Billing Services Coordinator for BED from a pay level 8 to a pay level 10 to reflect added responsibilities. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the proposed reclassification and to recommend to the Council approval of the same. The motion passed unanimously.

3. Second Amendment to Landowner PRP Settlement Participation Program

The Board reviewed a proposed amendment to the Landowner PRP Settlement Participation Agreement whereby the City would pay approximately \$75,000 into the Barge Canal Superfund Site Remediation Fund on March 31, 2010 and approximately \$125,000 on March 31, 2011. CAO Leopold explained that the money to be paid was the money originally refunded to the City in 1998. The City has enjoyed the benefit of the investment of these funds for the past twelve years. The amount refunded and now to be repaid will be paid 50% by the City's insurer, 25% by Burlington Electric and 25% by the General Fund. CAO Leopold made a motion, seconded by Councilor Keogh, to approve proposed amendment and to recommend to the City Council approval of the same. The motion passed unanimously.

4. CEDO: Hiring Consultant to Prepare TIF Application

The Board reviewed a request from CEDO Director Kupferman for an appropriation of \$30,000 to pay for a study for the proposed new Tax Increment Financing District. David Weinstein explained that the required study to be submitted to the State of Vermont was a lengthy and complex document that would require expert consultant assistance. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the request and to support a budget amendment appropriation request by the Mayor for an appropriation of \$30,000 from the Fund

Balance to fund the proposed study with the cost to be reimbursed as a TIF-eligible expense if the new TIF District is approved. The motion passed unanimously.

5. Burlington International Airport: Aviatron Lease

The Board reviewed a request from the Burlington Airport for approval for a new five year lease agreement with Aviatron to lease a building in the Airport Industrial Park. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the proposed lease and to recommend approval of the same to the City Council. The motion passed unanimously.

6. Church Street Marketplace: Winter Festival 2010

The Board reviewed a request for an appropriation of \$2,225 to fund the net costs of a Burlington Winter Festival as discussed at the previous meeting of the Board of Finance. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the request and to recommend approval to the Council of a budget appropriation amendment proposal by the Mayor for \$2,225 for the net costs of Winter Festival. The motion passed unanimously.

7. Discussion of Audit Letter

The Board discussed the Audit Management Letter for Fiscal Year 2008. CAO Leopold explained the delay between the date the letter was received by the City and when it was forwarded to the City Council with the City's management response. Sullivan & Powers partner Fred Duplessis and Chief Accountant Claire Shepard responded to questions and discussion from the Board and attending City Councilors.

8. Burlington Employees' Retirement System Actuarial Valuation of 6/30/09

CAO Leopold provided the Board with a preliminary overview of the actuarial valuation of June 30, 2009 of the Burlington Employees' Retirement System. He also provided the Board with a preliminary estimate of the required tax rate for Fiscal Year 2011 to meet the City's annual requirement contribution to the Retirement System and for the costs of FICA. Finally, he indicated that the Administration was planning another work session with the actuary to be available to discuss the report more fully and the investment advisor to discuss the investment policy recently adopted by the Retirement Board.

9. Executive Session: Pending Litigation 40th Burlington Settlement

Councilor Davis made a motion, seconded by Councilor Decelles, to enter into Executive Session to discuss a matter of litigation, the premature disclosure of which could place the City at a substantial disadvantage. The motion passed unanimously and the Board went into Executive Session at 7:08 p.m.

The Board came out of Executive Session at 7:22 p.m. CAO Leopold made a motion, seconded by Councilor Keogh, to approve the proposed settlement of the pending litigation regarding 40th Burlington. The motion passed unanimously.

The meeting was then adjourned at 7:25 p.m.